

Financial Results Quarter 3, 2016

Media Call

Quarter 3 (3 Months) (Billions)	FY 2016	FY 2015
Revenue (Excluding Temporary Exigent Surcharge) ¹	\$ 16.7	\$ 16.1
Temporary Exigent Surcharge ²	-	0.5
Total Revenue	16.7	16.6
Controllable Expenses ^{3, 4}	17.2	16.8
Controllable Income (Loss) ^{1, 2, 3, 4}	(0.5)	(0.2)
Retiree Health Benefits Pre-Funding	(1.4)	(1.4)
Workers' Comp. Fair Value Adj.	(0.7)	0.9
Workers' Comp. Other Non-Cash Adj.	-	0.1
FERS Unfunded Liability Amortization	(0.1)	-
Change in Accounting Estimate ⁵	1.1	-
Net Income (Loss)	\$ (1.6)	\$ (0.6)
Volume (Pieces) ⁴	37	37

1 - Change in Accounting Estimate is excluded from Total Revenue.

2 - Temporary exigent surcharge expired April 10, 2016. Estimated exigent revenue earned in April 2016 was immaterial.

3 - Before RHB pre-funding, non-cash adjustments to workers' compensation liabilities and FERS unfunded liability amortization, which are excluded from controllable expenses.

4 - Quarter 3, FY2016, has the same number of retail and delivery days as compared to FY2015.

5 - Newly available data on prepaid postage resulted in a \$1.1B decrease in the liability for deferred revenue - prepaid postage and a corresponding increase in revenue.

June YTD (9 Months) (Billions)	FY 2016	FY 2015
Revenue (Excluding Temporary Exigent Surcharge) ¹	\$ 52.7	\$ 50.7
Temporary Exigent Surcharge ²	1.1	1.6
Total Revenue	53.8	52.3
Controllable Expenses ^{3, 4}	52.5	51.1
Controllable Income (Loss) ^{1, 2, 3, 4}	1.3	1.2
Retiree Health Benefits Pre-Funding	(4.3)	(4.3)
Workers' Comp. Fair Value Adj.	(1.2)	(0.2)
Workers' Comp. Other Non-Cash Adj.	-	0.5
FERS Unfunded Liability Amortization	(0.2)	-
Change in Accounting Estimate ⁵	1.1	-
Net Income (Loss)	\$ (3.3)	\$ (2.8)
Volume (Pieces) ⁴	117	117

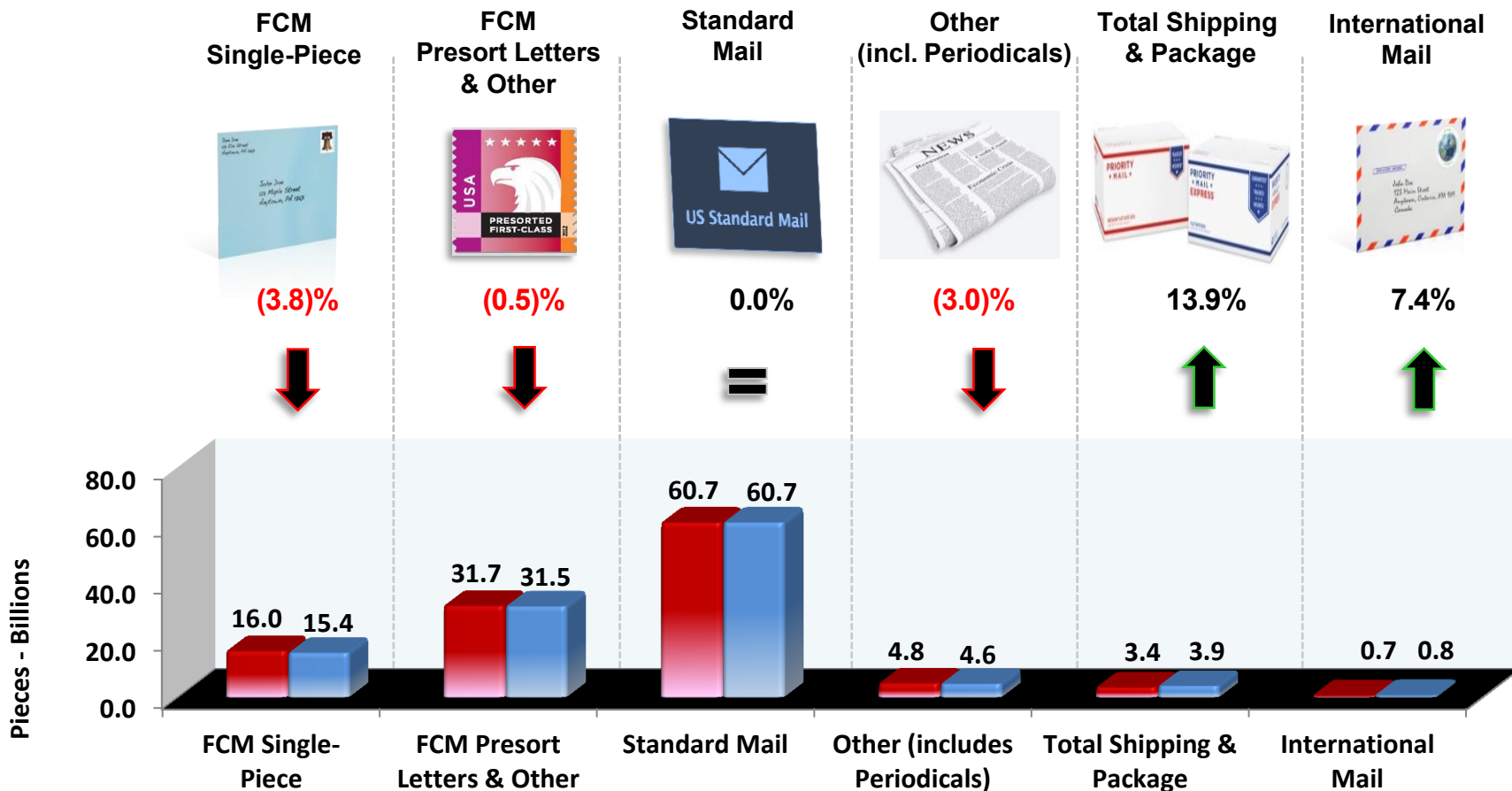
1 - Change in Accounting Estimate is excluded from Total Revenue.

2 - Temporary exigent surcharge expired April 10, 2016. Estimated exigent revenue earned in April 2016 was immaterial.

3 - Before RHB pre-funding, non-cash adjustments to workers' compensation liabilities and FERS unfunded liability amortization, which are excluded from controllable expenses.

4- June YTD has one more weekday as compared to FY2015.

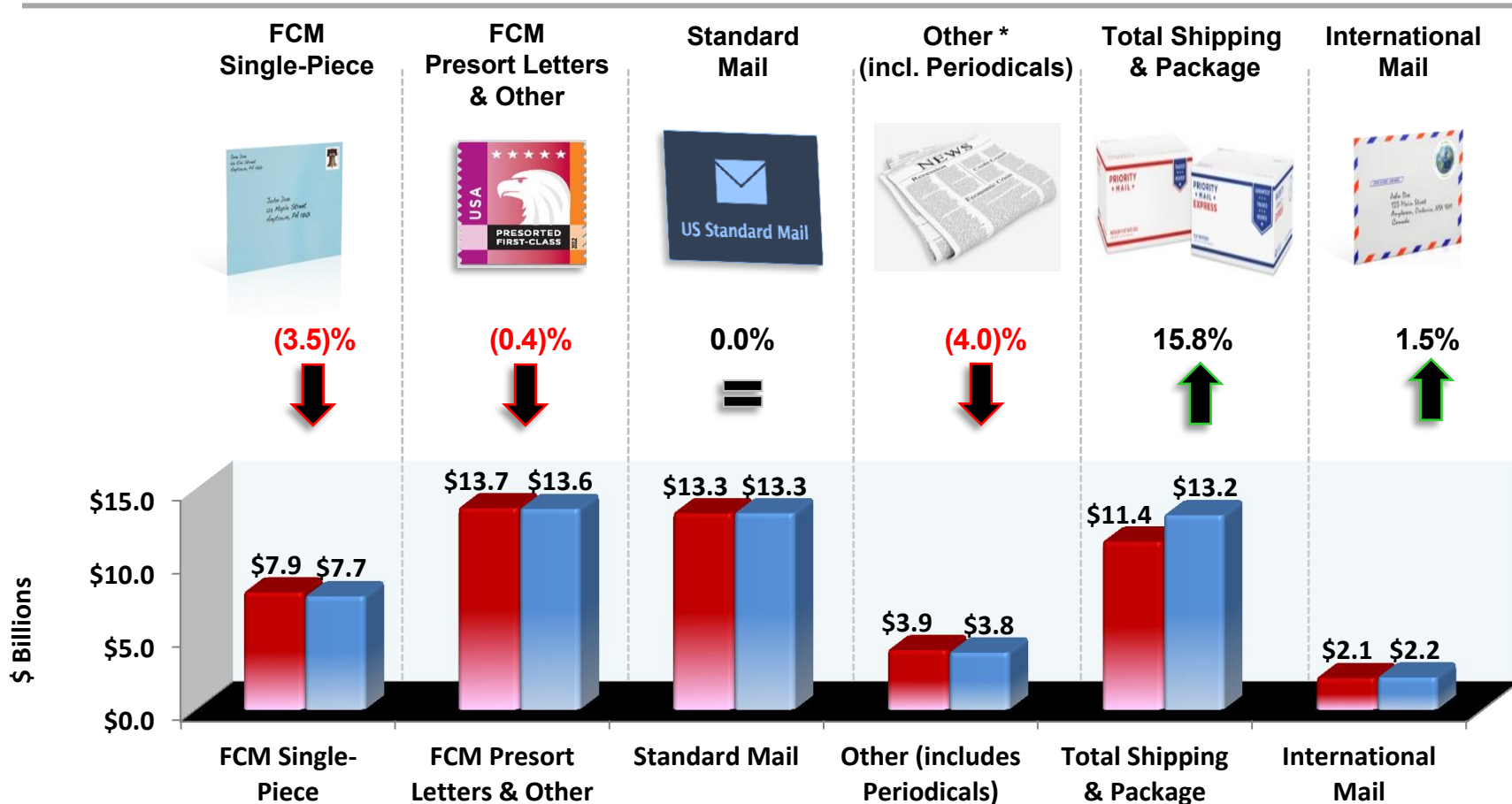
5 - Newly available data on prepaid postage resulted in a \$1.1B decrease in the liability for deferred revenue - prepaid postage and a corresponding increase in revenue.



FY2016 June YTD has one more weekday as compared to FY2015.

Total Revenue FY2016 June YTD vs. SPLY:

(including Exigent Surcharge in 2015 & 2016, but excluding one-time change in accounting estimate in 2016)



FY2016 June YTD has one more weekday as compared to FY2015.

* FY2015 excludes a one-time, non-recurring accounting adjustment

June YTD (9 Months) (Billions)	FY 2016	FY 2015
Compensation & Benefits¹	\$40.1	\$39.0
Transportation	5.3	5.0
Depreciation	1.3	1.3
Supplies & Services	2.0	2.0
Rent, Utilities & Other	3.8	3.8
Controllable Expenses^{1, 2}	\$52.5	\$51.1

1 - Delivery days were one more compared to SPLY.

2 - Before RHB pre-funding, non-cash adjustments to workers' compensation liabilities and FERS unfunded liability amortization, which are excluded from controllable expenses.

Questions ?

**Please Press *1 On Your
Telephone Keypad**

Complete Financial results are in the Form 10-Q:
<http://about.usps.com/who-we-are/financials/welcome.htm>

Additional questions can be emailed to:
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